



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government—The bill gives registrants the option of an extended registration period for motor vehicles, mobile homes, and vessels. The bill would also allow people to pay such registrations every two years.

#### B. EFFECT OF PROPOSED CHANGES:

##### Extended Registration Period

Currently the valid registration period for motor vehicles and mobile homes is 12 months. HB 435 defines an “extended registration period” as a period of 24 months during which a motor vehicle or motor home registration is valid. The bill also adds this 24 month period to the definition of “registration period.”

##### Registration and Renewals

Currently the law provides for a twelve-month period for the registration and renewal of motorcycles, mopeds, privately owned motor vehicles and trucks weighing below 5,001 pounds owned by a natural person. The registration period begins on the first day of the owner’s birth month and expires on the last day of the month preceding the owner’s birth month in the following year.

HB 435 amends the registration and renewal periods to provide that motorcycles or mopeds, automobiles for private use or for hire, trucks with a gross vehicle weight between 5,001 and 7,999 pounds, trailers for private use or for hire, recreational vehicle-type units, park trailers, travel trailers, fifth-wheel trailers and mobile homes are eligible for the extended 24 month registration period. The birth month of the person whose name first appears on the registration would be used to determine the extended registration period, if the vehicle is registered in the name of more than one person. For vehicles subject to the extended registration period, the renewal period is the 30-day period ending at midnight on the vehicle owner’s date of birth.

##### License Plates and Validation Stickers

Under current law, registration license plates are to be issued for a five-year period, and replaced, upon renewal of the registration at the end of this five-year period. The registration is issued for 12 months with expiration based on the applicant’s appropriate registration period with a validation decal to be attached to the plate to be valid for not more than 12 months, showing the year of expiration and to be issue upon payment of the proper license tax and fees.

HB 435 provides a six-year license plate issuance period, with the current \$2 per year fee paid each year to be credited towards the next \$12 replacement fee. Expirations occur based on the applicant’s appropriate registration period. The bill also provides that registration license plates equipped with validation stickers are subject to the extended 24 month registration period. Also, the bill provides that for each extended registration period until the license plate is replaced, a validation sticker showing the year of expiration is to be issued upon payment of the proper license tax amount and fees and shall be valid for not more than 24 months.

##### Biennial Registration

Current law authorizes the annual renewal of vehicle registration for motorcycles, mopeds, automobiles for private use and trucks with a net weight of less than 5,000 pounds. HB 435 provides that the

registration of motorcycles, mopeds, automobiles for private use and trucks with a net weight of less than 5,000 pounds may be renewed biennially.

### Advanced Registration

Current law provides for advance registration renewals at any time during the three months preceding the date of expiration of the registration period, thereby indicating that a registration period may not exceed 15 months. The bill provides that an advance registration renewal period may not exceed 27 months.

### Vessel Registration Renewal

Current law provides that a vessel's annual registration renewal period is a period of 30 days from the first day of the birth month of the owner and ends the last day of the month immediately preceding the owner's birth month in the succeeding year. The bill provides that any vessel owner subject to registration under s. 328.72(12), F.S. is eligible for an extended registration period of 24 months.

The bill conforms cross references relating to vehicle licensing, noncriminal traffic infractions, civil penalties, and reexamination of drivers.

## C. SECTION DIRECTORY:

Section 1. amends s. 316.605 F.S., to correct the cross reference to s. 320.07 (4) F.S.;

Section 2. amends s. 318.14 F.S., to correct cross references to s. 320.07(c) and 320.07 (4) (a) F.S.;

Section 3. amends s. 318.18 F.S., to correct the cross reference to 320.07 (5) F.S.;

Section 4. amends s. 320.01 F.S., to define extended registration period and redefine registration period;

Section 5. amends s. 320.055 F.S., to establish extended registration and renewal periods for motor vehicles and mobile homes;

Section 6. amends s. 320.06 F.S., to extend the time period and increase the fee for replacement of registration license plates; and to extend the period of validity for license plates and validation stickers to provide for extended registration;

Section 7. amends s. 320.07 F.S., to authorize the biennial renewal of motor vehicle registration;

Section 8. amends s. 320.071 F.S., to clarify that the registration period for a motor vehicle or mobile home may not exceed 27 months;

Section 9. amends s. 322.121 F.S. to correct a cross reference to 320.07 (4) F.S.;

Section 10. amends 328.72, F.S., to provide an extended registration period for vessel owners; and

Section 11. Provides that the act shall take effect January 1, 2006

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

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Because the number of persons choosing a two year registration period is unknown, the bill's impact to state revenue is indeterminate. Assuming that 50 percent of all vehicle, mobile home and vessel registrants elect to use a biennial registration, the revenue impact for year one would be \$188,303,524 to the General Revenue fund and State Trust Funds. There would be a corresponding decrease in revenues the second year. This 50 percent assumption is not based on empirical data but is used to show the potential impacts of the bill. Revenue projections above take into account the effective date of this bill being January 2006.

2. Expenditures:

Contracted data processing programming costs are estimated to be \$74,000, based on 400 hours at an hourly rate of \$185.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Tax Collector offices would likewise experience an acceleration of revenue in the first year of implementation of approximately \$13.4 million and a second year corresponding decrease in revenue. Again, this impact is based on an assumed fifty-percent reduction in transactions.

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Persons opting to use an extended registration period would have to pay double the current registration fees. Also, registrants conducting an initial registration transaction would pay \$12 instead of \$10 for a license plate that is replaced every 6 years rather than the current 5 year replacement cycle.

D. FISCAL COMMENTS:

Department of Highway Safety and Motor Vehicle (DHSMV) Comments

In Fiscal Year 2003-04, there were 17.8 million transactions processed generating \$806 million in revenues for the initial and renewal registration of motor vehicles, mobile homes, and vessels. The majority of these revenues were distributed to the State Transportation Trust Fund, General Revenue Fund and other state trust funds.

This bill does not address whether or not a refund of license taxes paid per section 320.08, F.S., can be obtained. The DHSMV recommends no refund be allowed. Rather, credit for the unused remaining portion of the license tax is extended as is currently in place. Upon expiration of the registration, credit is depleted.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to: require cities or counties to spend funds or take actions requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES**